

March 5, 1976

Now my only question is, if school districts doing this to get this money so they can invest it ... I think that we probably better have a provision that they will actually be bonded up to the amount of money that they'll handle at any one time.

SENATOR KOCH: School districts?

SENATOR STULL: Yes.

SENATOR KOCH: They're all bonded. We put in a bill to that affect a year or so ago, I think, in regards to the schools.

Let me tell you the reason for this, Senator Stull, in some hearings that we held around the state there were a number of people talked this issue, in fact the county treasurer was holding anywhere from \$60 to \$70 thousand. The schools cash flow was in a difficult situation. So instead of being able to draw the money they had, they had to go borrow money at a rather high interest rate.

So our point is that if the Board of Education, by resolution, notifies their county treasurer that they would like to have at least once a month a draw from the county treasurer based upon their approved mill levy that the county treasurer shall, at a certain time during a month, provide it to them.

SENATOR STULL: Well I don't have any objection to this, only my concern was that I want to be sure that the school treasurers are bonded heavily.

SENATOR KOCH: They are, they are sir.

SENATOR STULL: OK, thank you.

SENATOR SIMPSON: Senator Lewis, did you change your mind? Alright, Senator Keyes.

SENATOR KEYES: I just want to ask Senator Koch a question.

SENATOR SIMPSON: Go ahead.

SENATOR KEYES: Senator Koch, you mean to tell me that the School Board, if they have money in the county treasurer, can't go in and get the money anytime they wanted?

SENATOR KOCH: The law right now leaves it up to the discretion of the county treasurer.

SENATOR KEYES: Well whenever I was on the School Board and whenever we needed money we just called and they mailed it over to us.

SENATOR KOCH: Well you may have had a friendly county treasurer, but that's not true all over the state.